STAND. COM. REP. NO. 4-82-14

Honolulu, Hawaii Raham 14 , 2014

RE: H.B. No. 1943 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1943, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MODERNIZATION OF THE HAWAII ELECTRIC SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission (PUC) to adopt rules for improved accessibility to connect to the Hawaii electric system; and
- (2) Appropriate funds to the PUC for the initiation of a proceeding no later than July 1, 2014, to discuss upgrades to the Hawaii electric system for anticipated growth of customer generation.

Hawaii PV Coalition; Hawaii Solar Energy Association; Alliance for Solar Choice; SolarCity; Sunrun, Inc.; Hawaii Renewable Energy Alliance; Sierra Club of Hawaii; Blue Planet Foundation; RevoluSun; Rising Sun Solar; and several concerned individuals testified in support of this measure. The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; PUC; Department of Business, Economic Development, and Tourism; and Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company commented on this measure.

Your Committee has amended this measure by:

- (1) Removing the purpose section;
- (2) Replacing the prescriptive requirements of grid interconnection for the PUC with provisions that allow for PUC oversight based on advanced grid modernization principles;
- (3) Clarifying the PUC proceeding regarding modernization of the electric grid in the State and the required utility reports to the PUC;
- (4) Adding an appropriation of an amount to be determined, for the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to represent the interest of consumers in the PUC proceeding; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should your Committee on Finance deliberate on this measure, your Committee respectfully requests an appropriation amount of \$750,000 for the PUC and that your Committee on Finance determine an appropriate amount for the Division of Consumer Advocacy within the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1943, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection and Commerce

HB 1943, HD1 Committe	e Referral:	Date TN	2/12/14	_
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	1/			
2. KAWAKAMI, Derek S.K. (VC)				
3. BELATTI, Della Au	1/			
4. BROWER, Tom				
5. CACHOLA, Romy M.				
6. CREAGAN, Richard	V	·		
7. EVANS, Cindy	V /			
8. HAR, Sharon E.				
9. ITO, Ken				
10. LEE, Chris				
11. NAKASHIMA, Mark M.				
12. OSHIRO, Marcus R.				_'L
13. TSUJI, Clift				
14. YAMANE, Ryan I.				
15. MCDERMOTT, Bob	V /		terior September	
16. THIELEN, Cynthia	\mathcal{V}			
				<u> </u>
TOTAL (16)	13			3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				